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NEPTUNE GROUP LIMITED

海王國際集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00070)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and Part XIVA of the SFO.

The Board wishes to inform the shareholders of the Company and potential investors that the Group expects to make a substantial loss for the six months ended 31 December 2015 as a result of the impairment loss of intangible assets of a VIP gaming lounge in Macau in which the Group has a 85% interest and the impairment loss of trade receivables.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Neptune Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the provision under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

Capitalised terms used herein and not defined shall have the same meaning as in the Company’s announcements dated 29 November 2007 and 12 February 2008 respectively.

In 2007, the Company indirectly acquired a 85% interest in each of total issued share capital of Profit Forest and Sky Advantage. The main asset of Profit Forest and Sky Advantage is the Hao Cai Profit and Neptune Ouro Profit respectively. Both companies generated revenue at a VIP lounge at the Venetian Hotel in Macau. As a result of the material decrease in high net worth clients going to Macau for gaming, this has led to a spectacular slowdown in the Group’s gaming revenue leading to the an impairment loss of intangible assets in order to reflect their recoverable amounts. In addition, the corresponding trade receivables were individually determined to be impaired with reference to the valuation report issued by an independent qualified professional valuer. Accordingly, the Group expects to make a substantial loss for the six months ended 31 December 2015.

The board of directors of the Company wishes to inform the shareholders of the Company and potential investors that the Group is preparing its interim results for the six months ended 31 December 2015. Based on the information currently available, the net loss of the Group for the six months ended 31 December 2015 is expected to significantly increase as compared to the net profit of the Group for the corresponding six months ended 31 December 2014, which are mainly due to the significantly increase of (i) the impairment loss of an intangible asset and (ii) the impairment loss of trade receivables, both charge to profit and loss account in an aggregate amount of approximately HK\$394.5 million during the six months ended 31 December 2015.

As the Company is still in the process of finalising the interim results for the six months ended 31 December 2015, the information contained in this announcement is based only on the preliminary assessment by the management according to the information currently available to it and is not based on any figures or information that has been audited or reviewed by the auditors and the audit committee of the Company.

The interim results announcement of the Group for the six months ended 31 December 2015 is expected to be released in late February 2016.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Neptune Group Limited
Chan Shiu Kwong, Stephen
Executive Director

Hong Kong, 5 February 2016

As at the date of this announcement, the Board of the Company comprises Mr. Danny Xuda Huang (Chairman), Mr. Nicholas J. Niglio, Mr. Chan Shiu Kwong, Stephen and Mr. Lin Chuen Chow, Andy (all being executive Directors), three Independent Non-Executive Directors, being Mr. Cheung Yat Hung, Alton, Mr. Yue Fu Wing and Mr. Chow Chung Lam, Louis.